

17 September 2026

Time To ACT plc
("Time To ACT", "the Company" or "the Group")

Business and Trading Update

Time To ACT plc (AQSE: TTA), the Aquis-listed specialist engineering group, provides the following update.

Highlights

- **Creation of new Thermal Processing division to combine activities of Diffusion Alloys and Metal Treatment & Engineering**
- **Core group profitable over three-month summer period**
- **Thermal Processing division set a FY28 target of £8.0m in sales at a 40% Gross Profit margin which, if achieved, will comfortably cover all core group overhead cash costs**
- **Group cash position remains robust**

Creation of Thermal Processing division

The group is consolidating its core established businesses into a new Thermal Processing division which combines the activities of its Diffusion Alloys (DA) and Metal Treatment & Engineering (MTE) subsidiaries.

The acquisition of Metal Treatment & Engineering (MTE) in May 2026 has been transformative for the structure, financial performance and strategic direction of the group. Its range of activities are complementary to those of the existing Diffusion Alloys (DA) business. The resulting Thermal Processing division's scope will be further expanded over time with additional synergistic high-temperature processing technologies.

The Thermal Processing division has two revenue streams with different characteristics. "Short-cycle" revenues comprise repeat business processing typically high numbers of small parts from returning customers and typically executed under an established pricing framework. "Project" revenues (relating solely to DA and including coating technology sales) comprise bespoke work, processing typically smaller numbers of larger parts where work is individually priced into much larger sized orders.

Trading Update

The Thermal Processing division's short-cycle business is operating at an annual sales run-rate of £5-6m. At around the middle of this range, the short-cycle business alone covers all core group cash overhead costs meaning that the core group (which excludes the GreenSpur development activity) is profitable on a cash basis (EBTDA or earnings before tax and non-cash depreciation and amortisation charges).

To this end, recent short-cycle trading has been extremely gratifying. Despite the DA Project activity remaining subdued and contributing little revenue in the period, the core group recorded sales of £1.55m during the three-month period of June/July/August and was meaningfully profitable on the above-defined cash basis^[1].

[1] Note that this performance is based on internal Management Information rather than externally audited figures.

The Thermal Processing division's short-cycle activity thus de-risks materially the lower visibility of contract timing in the DA Project activity.

Moreover, the outlook for overall Thermal Processing division activity is extremely promising, with the division expecting to book £1.1-1.2m of orders in the month of September. This expected ordering level includes the first large DA Project order booked for some time.

Thermal Processing division and core group targets

With the DA Project business only now starting to pick up after a slow period over the last few years, timing uncertainty means that outcome for the current financial year still lacks visibility. The main target for FY27 (April '26 - March '27) has been to stabilise the group and stem the high recent levels of cash burn. Encouragingly, this target has been achieved over the summer months.

Paradoxically there is better visibility for FY28 (April '27 - March '28) when we expect all growth drivers, including the DA Project business, to create a tail wind for the group for first time. Project revenues provide upside and operational gearing to the base level of short-cycle activity.

The Thermal Processing division has been set a FY28 target of £8.0m in sales (including rebounding Project work) and a 40% Gross Profit margin. After core group cash overhead targeted at £2.2m, the goal for the core group (excluding the GreenSpur development activity) is for a cash pre-tax profit (EBTDA) of around £1.0m, with strictly controlled capital investment.

Of further note:

- DA's gross profit margin should be typically higher than the divisional average and MTE's gross profit margin typically lower than the Thermal Processing divisional average, such that relative growth rates will impact margin development over time;
- Some harmonisation of cost accounting across the two businesses is still being implemented to assure consistency of gross profit and overhead reporting;
- Interest and other financing costs of up to £150-200,000 per annum are included in the overhead figures, meaning that EBITDA performance is commensurately higher.

The forecasting challenge remains determining the exact timing of Project work where individual orders can range from several hundred thousand pounds to in excess of £1 million and do not typically fit neatly into individual financial years. For this reason, the group continues to track progress in its short-cycle business where the target of covering the entirety of core group overhead remains in place.

No longer-term goals have yet been set although the group believes that its Thermal Processing division has considerable capacity and capability with which to target further growth, including from offering new processes.

Cash update

The group continues to pay the highest levels of attention to controlling cash burn and maintaining a healthy cash balance.

The liquidity position is monitored daily and tracked within a rolling 13-week cash forecast. At the middle of the month (15th September) the group's available liquidity (including undrawn credit lines) stood at £570,000.

This balance is after a significant follow-on investment spend of £68,000 made in August into capital equipment for MTE with an expected pay-back time of less than one year.

GreenSpur

The GreenSpur activity is of a different nature, being at an earlier stage of development than the established businesses that make up the Thermal Processing division. GreenSpur had, to the end of FY26, spent around £5.6m on the development of its unique technology. The group's focus is now to build out GreenSpur's organisational capabilities - including business development, sales, engineering strength-in-depth and delivering initial commercialisation wins - and, in general, to take measures to demonstrate monetisation of the embedded value. This development will be pursued while respecting the group's strict capital allocation policies.

Chris Heminway, Chief Executive & Chief Strategy Officer of Time To ACT plc, said:

"This update hopefully marks the moment in time from which we can shift investor focus from looking in the rear-view mirror (at the initial period of building out the Group) to instead looking through the front windscreen (at a period of profitable growth and value creation). I am personally looking forward to presenting our Group and its businesses to new and existing shareholders alike as we enter this new phase of our development".

Engage with the Time To ACT management team directly by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor hub here:

<https://investors.timetoactplc.com/announcements>

Enquiries:

Investor questions on this announcement We encourage all investors to share questions on this announcement via our investor hub	
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About Time To ACT plc

Time To ACT plc is a growth-focused specialist engineering group operating through two established businesses (Diffusion Alloys and MTE) and one earlier-stage development activity (GreenSpur). As the parent company of the Group, Time To ACT provides strategic and operational support to the operating companies and capital to enable their growth.

About Diffusion Alloys

Diffusion Alloys is an established specialist provider of high-temperature diffusion coating and thermal processing technologies for critical industrial applications.

The business supports customers operating in demanding environments where components are exposed to high temperatures, corrosion, erosion and aggressive process conditions, including sectors such as hydrogen, sustainable fuels, nuclear, petrochemical processing and energy transition infrastructure.

Diffusion Alloys operates through two complementary business units:

- Coating Technology, focused on licensing, technical partnerships and flexible-capacity deployment models; and
- Coating Services, the operational processing business centred on its Middlesbrough facility.

Alongside its coating technologies, Diffusion Alloys is developing a broader thermal processing platform through the integration of complementary metallurgical and heat treatment capabilities. The business combines large-scale industrial processing capacity with specialist technical expertise in surface engineering and high-temperature metallurgy.

About MTE

MTE is a specialist thermal processing and precision engineering business providing heat treatment, induction hardening, gear cutting, grinding and metallurgical processing services for industrial engineering applications.

The business supports customers across sectors including automotive, energy, marine, heavy industry and precision engineering, supplying critical components requiring high levels of dimensional accuracy, durability, wear resistance and process consistency.

MTE combines sealed quench heat treatment capability, induction hardening expertise and precision gear manufacturing with specialist knowledge in distortion control, quenching techniques, metallurgical verification and associated metrology. Its integrated processing model enables customers to access multiple complementary engineering services through a single specialist supplier, combining precision metallurgical control with scalable production capability for both specialist low-volume and higher-throughput industrial applications.

The business operates from its facility in West Yorkshire and provides subcontract engineering services to a broad industrial customer base, supported by in-house laboratory, quality assurance and technical inspection capabilities.

About GreenSpur

GreenSpur is a generator technology and intellectual property company focused on advanced electrical machine systems for renewable energy and industrial power applications.

The company develops scalable axial flux generator technologies designed for implementation across a range of sectors, including wind, marine, distributed energy and other specialist power generation applications. GreenSpur's platform-based approach enables the development of customised generator solutions that are optimised for differing operational, environmental and commercial requirements.

GreenSpur's technologies are supported by an extensive intellectual property portfolio and are designed to provide flexibility across magnetic materials, cooling systems, drive configurations and deployment environments. GreenSpur has developed the world's first credible Rare Earth-free technology which is competitive with existing Rare Earth magnet-based radial flux machines. This generator design eliminates the need for Rare Earth magnets and copper coils without any loss in electrical performance.

The business operates primarily through technology development, engineering services and licensing partnerships, while also selectively supporting manufacturing and industrialisation activities where appropriate.

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